

AGENDA
FREMONT REDEVELOPMENT AGENCY REGULAR MEETING
JUNE 8, 2010
7:00 P.M.

1. CALL TO ORDER

2. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine by the Redevelopment Agency and will be enacted by one motion and one vote. There will be no separate discussion of these items unless an Agency Member or citizen so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda. Additionally, other items without a "Request to Address the Redevelopment Agency Board" card in opposition may be added to the consent calendar. (In the report section of the agenda, consent items are indicated by an asterisk.)

2.1 Approval of Minutes – None.

3. PUBLIC COMMUNICATIONS

3.1 Oral and Written Communications

4. PUBLIC HEARINGS

4.1 FY 2010/11 REDEVELOPMENT AGENCY BUDGET SECOND PUBLIC HEARING AND ADOPTION

Second Public Hearing (Published Notice, Hearing Continued from June 1, 2010) and Consideration of Adoption of the FY 2010/11 Redevelopment Agency Budget and Approval of Project Appropriations Plan and Work Program for Redevelopment Projects

Contact Person:

Name:	Irene de Jong	Elisa Tierney
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RECOMMENDATIONS:

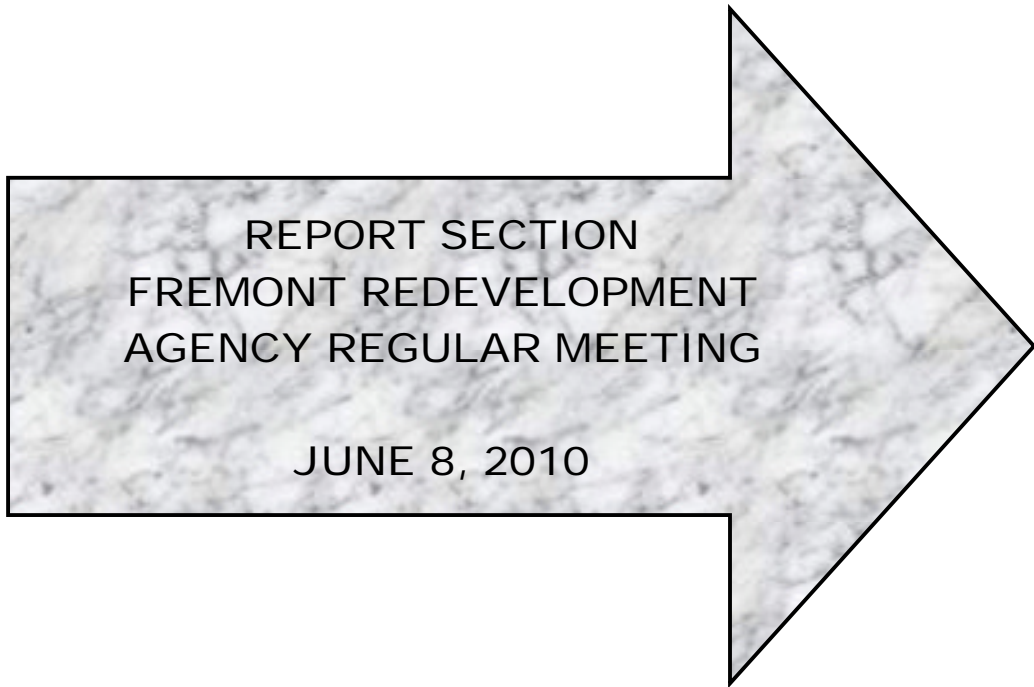
1. Hold a public hearing.
2. Adopt a resolution approving the City of Fremont Redevelopment Agency's annual operating budget for FY 2010/11, approving appropriations as shown in the Project Appropriations Plan, making necessary findings regarding the Project Appropriations

Plan and administrative activities for affordable housing activities, and approving the Agency's Work Program.

5. OTHER BUSINESS

5.1 Report Out from Closed Session of Any Final Action

6. ADJOURNMENT



REPORT SECTION
FREMONT REDEVELOPMENT
AGENCY REGULAR MEETING

JUNE 8, 2010

4.1 FY 2010/11 REDEVELOPMENT AGENCY BUDGET SECOND PUBLIC HEARING AND ADOPTION

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Executive Summary: Pursuant to California Redevelopment Law, the Redevelopment Agency must formally adopt an annual budget. The Redevelopment Agency's budget is incorporated as a component of the City's budget document, for which a second public hearing is scheduled on tonight's City Council agenda. Staff recommends the Agency Board hold a public hearing on the Agency's FY 2010/11 annual budget, as required by State law, and adopt a resolution approving (1) the annual operating budget for FY 2010/11; (2) the Project Appropriations Plan (for Redevelopment-funded projects in a form consistent with the City's Capital Improvement Program); (3) findings that the planning and administrative expenditures funded with Affordable Housing Fund monies are necessary for the Redevelopment Agency's low and moderate income housing work plan; and (4) the Agency Work Program. The first public hearing was held by the Agency Board on June 1, 2010.

BACKGROUND: California Redevelopment Law requires each redevelopment agency to prepare and adopt an annual budget. As in past years, the Redevelopment Agency's proposed budget resolution will adopt the City's budget policies for Redevelopment Agency use to the extent applicable and otherwise allowable by law. The Redevelopment Agency's budget is included for informational purposes in the City's operating budget document. This is more convenient than maintaining a separate document because the Redevelopment Agency's activities share a close relationship with those of the City.

Operating Budget: The operating budget (Exhibit 1) reflects revenues and expenditures for the Redevelopment Agency for FY 2010/11. Total property tax increment revenues are budgeted for FY 2010/11 at \$37.7 million. Pursuant to State law, 20% of the total property tax increment (approximately \$7.5 million) will be set aside in the Affordable Housing Fund.

The total amount of proposed new project appropriations in FY 2010/11 is \$10.055 million for both housing and non-housing purposes. The Agency does not anticipate new appropriations for regional transportation projects and intends to invest the entire amount of FY 2010/11 non-housing appropriations in the project areas of Niles, Irvington, and Centerville. The Agency also does not anticipate adding any new staffing for implementing its affordable housing programs and non-housing activities.

Project Work Program: The summary appropriations for redevelopment and affordable housing for FY 2010/11, as detailed in the enclosure, include funding requests for the Redevelopment Agency's

work program. The Project Work Program is not a complete list of all previously funded Agency projects, and some previously funded activities, such as Phase 1B of the I-880/Mission Boulevard Interchange, may still be underway. Project appropriations remain in effect for the duration of the project.

Non-Housing: This year's Project Work Program includes \$4.5 million of new, non-housing project appropriations. The Agency does not anticipate any new appropriations for regional transportation projects and intends to invest the entire amount of FY 2010/11 non-housing appropriations in the historic districts of Centerville, Irvington and Niles. In response to the unfavorable real estate market conditions resulting from the recent economic recession and a delayed economic recovery, the Agency will be focusing its non-housing investments on supporting enhanced business performance in the historic districts and on the public infrastructure improvements across the redevelopment areas. More detail about these new non-housing appropriations is included later in this report.

While the Agency has completed the Plan Amendment process for raising the Industrial Area revenue cap, the Plan Amendment does not take effect until mid-June 2010. As a result, many of the Agency's proposed expenditures are limited to the completion of existing projects rather than undertaking new initiatives. However, Agency staff may seek additional mid-year appropriations once the new \$1.5 billion cap goes into effect.

Housing: The Housing portion of the Project Work Program includes expenditures for affordable housing projects and programs.

Project Name	(Dollars in Thousands)		
	FY 2009/10 Appropriations	Estimated Actual 6/30/2010	Proposed FY 2010/11 Appropriations
Apartment Acquisition and Rehabilitation	\$ 200	\$ 200	\$ 240
First Time Home Buyer Program	1,000	1,000	1,200
Neighborhood Home Improvement Program	250	250	480
Preservation of Affordable Housing	100	100	120
Implementation of Inclusionary Housing Ordinance	200	200	240
Below Market Housing Programs	0	0	250
New Construction of Affordable Housing	2,500	2,500	0
HELP Loan Repayment	0	0	1,500
Opportunity Fund/Contingency	1,000	1,000	1,500
TOTAL	<u>\$5,250</u>	<u>\$5,250</u>	<u>\$5,530</u>

This year's Project Work Program includes \$5.5 million of new appropriations for housing. Of this amount, approximately \$2.5 million will be committed to various ongoing programs and projects, including the First Time Homebuyer Program, the Neighborhood Home Improvement Program, and the Apartment Acquisition and Rehabilitation Program, as well as funding for preservation of existing affordable housing. In addition, \$1.5 million is included to repay the HELP Loan to the State, which comes due in FY 2010/11. The remaining \$1.5 million will be set aside for creating new affordable housing opportunities and for the funding of unanticipated contingencies.

Redevelopment Agency Project Highlights: The proposed Project Work Program was developed in alignment with the Agency's adopted Five-Year Implementation Plan for the period of July 1, 2008 - June 30, 2013. The Five-Year Implementation Plan, which was amended and restated in March 2010, calls for investments in programs that attract new businesses and support performance of existing businesses in the project areas, enhance the appearance and function of private properties in project areas, invest in public infrastructure, and eliminate blight. A brief summary of the Work Program highlights follows.

Regional Transportation: No new appropriations are requested for existing regional transportation projects. In fact, the \$111 million Washington Boulevard/Paseo Padre Parkway Grade Separation Project was completed in May 2010, ahead of schedule and under budget. This largest public works project in the City's history improves traffic flow through the Irvington project area, facilitates the extension of BART to Warm Springs and San Jose, and supports the revitalization of the commercial and retail areas in the Irvington district.

Strategic Investments in the Historic Districts

Centerville: The primary focus in the Centerville Area in recent years has been the development of the six-acre Centerville Unified Site through a public/private partnership focused on creating a mix of residential and commercial uses and architectural design consistent with the character of Centerville. The Agency has appropriated nearly \$16.9 million to purchase, assemble, remediate, and pay for public improvements associated with the site. The Agency entered into an Exclusive Right to Negotiate Agreement (ERNA) with a development team that expires in January 2011. Over the course of FY 2010/11, the Agency and the developer will continue to work on this project by negotiating a disposition and development agreement, recommending a development plan to the Agency Board, and commencing the entitlement process for the new development.

Project Name	(Dollars in Thousands)		
	FY 2009/10 Appropriations	Estimated Actual 6/30/2010	Proposed FY 2010/11 Appropriations
Pre-development Opportunities	\$0	\$0	\$100
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$100</u>

New appropriations in the Centerville Area include \$100,000 to complete designated projects outlined in the Centerville Framework Plan if directed by the City Council/Agency Board.

Irvington: New appropriations in the Irvington Area for FY 2010/11 total \$350,000. The Bay Street Streetscape and Parking project remains one of the cornerstones of Irvington's revitalization. Utility undergrounding was completed in 2009, and streetscape improvements are slated to be completed in FY 2010/11. This project will transform a three-block stretch of Bay Street into a revitalized commercial and residential mixed use area and encourage investment in and around the Five Corners area. An additional \$100,000 appropriation will provide funding for the enhanced median improvements along Osgood Road. An additional appropriation of \$250,000 for the Grimmer Greenbelt Gateway project, which will create a meandering landscaped pedestrian and bicycle path from Fremont Boulevard across Paseo Padre and into Central Park, is required to develop the preliminary design, cost estimates, and a construction phasing plan.

Project Name	(Dollars in Thousands)		
	FY 2009/10 Appropriations	Estimated Actual 6/30/2010	Proposed FY 2010/11 Appropriations
Osgood Road Median Improvements	\$0	\$0	\$100
Greenbelt Gateway along Grimmer Boulevard	<u>330</u>	<u>300</u>	<u>250</u>
TOTAL	<u>\$330</u>	<u>\$300</u>	<u>\$350</u>

Niles: Now that the development of the 2.2-acre Niles Town Plaza on a portion of the former Union Pacific (UP) property is complete, the Agency is focusing its efforts on the redevelopment of the remaining portion of the former UP railyard. The single largest appropriation of \$2.5 million for the Niles area will provide initial funding for remediation of the approximately 5-acre remainder of the UP railyard site. Although the development of a mixed use/retail project is currently on hold pending the recovery of the local economy, the Agency will move forward with the environmental cleanup of the site in order to prepare for the future development of any use the Agency may decide to pursue. The additional \$1,000,000 in new appropriations for H Street will fund physical improvements to the roadway and streetscape of H Street between Niles Boulevard and Second Street. The Agency also plans to contribute \$110,000 for roadway and sidewalk improvements of Niles Boulevard between the Sullivan underpass and Nursery Avenue, and an additional \$100,000 for the continuation of the Commercial Revitalization and Transit Enhancement Program in the district.

Project Name	(Dollars in Thousands)		
	FY 2009/10 Appropriations	Estimated Actual 6/30/2010	Proposed FY 2010/11 Appropriations
Niles Town Plaza Site Design, Development and Construction	\$ 700	\$ 700	\$ 300
Phase 2: UP Site Redevelopment	3,500	3,500	2,500
Streetscape Improvements: H Street	150	150	1,000

Project Name	(Dollars in Thousands)		
	FY 2009/10 Appropriations	Estimated Actual 6/30/2010	Proposed FY 2010/11 Appropriations
Quarry Lakes/Niles Beach	60	60	65
Niles Boulevard Roadway Improvements	44	44	110
Niles Commercial Revitalization and Transit Enhancement Program	0	0	100
TOTAL	<u>\$4,454</u>	<u>\$4,454</u>	<u>\$4,075</u>

Project Appropriations Plan: The Project Appropriations Plan serves much the same purpose for the Redevelopment Agency that the Capital Improvement Program (CIP) serves for the City. It is a method of authorizing appropriations for specific projects, which remain in effect for the duration of the projects. The Project Appropriations Plan only includes projects with new appropriations requests and does not represent a complete list of all Redevelopment Agency projects. The Project Appropriations Plan for FY 2010/11, described in some detail above, is summarized below:

Description	Proposed FY 2010/11 Appropriations (Dollars in Thousands)
Non-Housing:	
Centerville	\$ 100
Irvington	350
Niles	4,075
Subtotal: Non-Housing	4,525
Housing	5,530
TOTAL	<u>\$10,055</u>

Findings Regarding the Project Appropriations Plan: No additional legal findings regarding Agency contributions to the cost of public improvements are required to be made this year. The Agency Board has already made the following findings for all of the affected projects included in the Project Appropriations Plan: (1) the improvements benefit the Redevelopment Project Area; (2) there is no other reasonable means of financing the improvements; and (3) the improvements will assist in the elimination of blight and are consistent with the Implementation Plan (Health & Safety Code Section 33445).

Findings Regarding Administrative Expenses for Affordable Housing Activities: The Redevelopment Agency Board must make a determination that planning and administrative expenses are necessary for the production, improvement, or preservation of low and moderate income housing (affordable housing). The total salaries, benefits, and operating expenditures of the proposed annual operating budget for the Affordable Housing Fund, including administrative support costs, are \$0.89 million, which is approximately 13.8% of the \$6.47 million total proposed expenditures for operations, capital projects and programs. This is a necessary level of planning and administrative expenses to support Redevelopment Agency programs to produce, improve, and preserve affordable housing. Planning and administrative expenditures for FY 2010/11 represent a slightly higher percentage of all

project expenditures than in previous years because the Agency is in the process of completing two housing projects currently underway (Eden/Peralta senior housing development and Main Street Village project) and is not allocating any new funding to future projects, due to the financing constraints imposed by reaching the Industrial Area revenue cap in FY 2011/12. However, once the Plan Amendment goes into effect, the Agency will be able to dedicate significant additional resources for the production of affordable housing. As a result, the Agency's affordable housing planning and administrative expenditures will represent a significantly lower percentage of overall projects, consistent with previous years.

ENCLOSURES:

- [Draft Resolution](#)
- [Exhibit 1 – Redevelopment Agency Proposed Operating Budget FY 2010/11](#)

RECOMMENDATIONS:

1. Hold a public hearing.
2. Adopt a resolution approving the City of Fremont Redevelopment Agency's annual operating budget for FY 2010/11, approving appropriations as shown in the Project Appropriations Plan, making necessary findings regarding the Project Appropriations Plan and administrative activities for affordable housing activities, and approving the Agency's Work Program.

5.1 Report Out from Closed Session of Any Final Action